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Financing of the United Nations Operation in Burundi

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Report of the Secretary-General

Summary

The present report provides details on the final disposition of the assets of the United Nations Operation in Burundi (ONUB), with a total inventory value of $59,152,442 as at 3 November 2008. The disposition of the assets has been undertaken in accordance with United Nations financial regulation 5.14.

Summary of the disposition of the assets of the United Nations Operation in Burundi as at 3 November 2008

(Thousands of United States dollars)

Category	*Inventory value*	*Percentage*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi, Italy	51 336.5	86.8
Group II: disposed of in the mission area		
Sold	1 936.2	3.3
Donated to the Government of Burundi	2 799.4	4.7
Group III: written off/lost	3 080.3	5.2
Total	**59 152.4**	**100.0**

The action to be taken by the General Assembly is set out in paragraph 11 of the present report.

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I. Introduction

1. The mandate of the United Nations Operation in Burundi (ONUB) was established by the Security Council in its resolution 1545 (2004) and was adjusted and extended by the Council in subsequent resolutions, the last of which was resolution 1692 (2006), by which the Council extended the mandate of the Operation for a final period of six months, until 31 December 2006.

2. It will be recalled that the General Assembly, by its decision 61/554, approved the donation of the mission's assets, with a total inventory value of up to $2,799,400 and a corresponding residual value of up to $1,726,300, to the Government of Burundi.

3. Upon completion of the mandate of ONUB on 31 December 2006 and, pursuant to Security Council resolution 1719 (2006), the establishment of a follow-on special political mission, the United Nations Integrated Office in Burundi (BINUB), on 1 January 2007, ONUB assets with a total inventory value of $30,380,193 have been transferred to BINUB, with action on their disposition, including any further donation to the Government of Burundi, to be taken upon completion of the mandate of BINUB.

4. The present report provides details on the final disposition of the assets of ONUB as at 3 November 2008, undertaken in accordance with United Nations financial regulation 5.14.

II. Classification and disposition of the assets of the United Nations Operation in Burundi

5. The process of liquidating the assets of ONUB was guided by the following principles and policies contained in United Nations financial regulation 5.14:

(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;

(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;

(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;

(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;

(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the

duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

6. The assets of ONUB, with a total inventory value, as at 3 November 2008, of $59,152,442, have been grouped into 15 categories: accommodation equipment, communications equipment, data-processing equipment, generators, medical equipment, mine-clearing equipment, miscellaneous equipment, observation equipment, office equipment, petrol tanks plus metering equipment, prefabricated buildings, refrigeration equipment, security equipment, vehicular equipment, and water and septic tanks.

7. In accordance with the principles and policies recalled in paragraph 5 above, the assets of ONUB have been placed into three groups (see table 1).

Table 1
Summary of the final disposition of assets of the United Nations Operation in Burundi

(Thousands of United States dollars)

Category	*Inventory value*	*Percentage*
Group I: transferred to other missions or for temporary storage at the United Nations Logistics Base at Brindisi, Italy	51 336.5	86.8
Group II: disposed of in the Mission area		
Sold	1 936.2	3.3
Donated to the Government of Burundi	2 799.4	4.7
Group III: written off/lost		
Written off	2 874.5	4.9
Lost	205.8	0.3
Total	**59 152.4**	**100.0**

8. Group I includes assets identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions. The items in this group, with an inventory value of $51,336,469 (86.8 per cent of total asset value), have been transferred to BINUB or other United Nations missions, or to the United Nations Logistics Base at Brindisi, Italy, for temporary storage pending future use.

9. Group II includes assets disposed of locally with an inventory value of $4,735,622, representing 8.0 per cent of the total inventory value. It consists of assets donated to the Government of Burundi with an inventory value of $2,799,417 and a corresponding residual value of $1,688,008. Assets with an inventory value of $1,936,205 and a corresponding residual value of $628,171 were sold to United Nations agencies, international organizations and non-governmental organizations, as well as to private companies and individuals, on the basis of competitive bidding.

The amount of $567,730, representing the proceeds of the sale, was credited as miscellaneous income to the ONUB special account (see table 2).

Table 2
Sale of assets of the United Nations Operation in Burundi
(Thousands of United States dollars)

Sold to	*Inventory value*	*Residual value*	*Sale value*
Private companies and individuals	1 691.2	481.8	421.3
United Nations agencies	207.3	120.0	120.0
International organizations/ non-governmental organizations	37.7	26.4	26.4
Total	**1 936.2**	**628.2**	**567.7**

10. The inventory value of assets in group III totals $3,080,351, representing 5.2 per cent of the total asset inventory value and a corresponding residual value of $1,297,897. These assets have been written off mainly as a result of accidents, damage caused by the elements, obsolescence, normal wear and tear, uneconomical prospects for repair and loss (see table 3).

Table 3
Written-off United Nations property reported by the United Nations Operation in Burundi
(Thousands of United States dollars)

Category	*Inventory value*	*Residual value*
Accident, damage and faulty equipment	815.6	427.9
Lost or stolen equipment	259.1	127.2
Normal wear and tear	533.1	188.4
Obsolescence	1 393.0	521.7
Uneconomical to repair	29.8	15.6
Other[a]	49.7	17.1
Total	**3 080.3**	**1 297**

[a] Inventory discrepancy.

III. Action to be taken by the General Assembly

11. **The action to be taken by the General Assembly is to take note of the present report on the final disposition of the assets of ONUB.**